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MEMORANDUM FOR: *Mr. Army*

Here is a transcript of DD/C's
remarks to the NSCID 5 committee.
You will find them interesting.

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30 July 1957
(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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[redacted]
29 July 1957

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I have asked you all to return this morning because it seemed to me, after further reflection, that consideration of this problem by any smaller working group at this time would not actually be economical of either time or effort. Some further explanation seems desirable and this group seems to be the best place for it at this time.

In the first place, the proposals contained in the OWI draft working paper advanced here last week would have the effect of creating at least four co-equal clandestine services with responsibility for clandestine operations and activities in the foreign field. These proposals would practically eliminate the coordinating responsibility of the Director of Central Intelligence in the field of foreign clandestine intelligence and counterintelligence operations and activities, and would substitute what would be in effect mere cooperation by mutual, if not actually ~~unanimous~~, agreement. These proposals would also result in more confusion in the field of liaison with foreign clandestine services than has existed heretofore. In effect, these proposals would amount to retrogression to the situation that existed in the intelligence community prior to 1947, which in fact led to the passage of the National Defense Act of 1947 and the creation of the intelligence community as it now exists.

The concepts represented in the OWI draft working paper are obviously contrary to the intent of Congress in passing the National Defense Act of 1947 and the National Security Council Directives issued to implement that intent. The concepts are certainly contrary to the

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recommendations of every Task Force, Board, and Committee which has investigated the Central Intelligence Agency and the Intelligence Community during the past ten years. More specifically, these concepts are contrary to the letter and the spirit of the Recommendations of the President's Board of Consultants on Foreign Intelligence - the Killian Committee - which were approved by the President in person and which have been referred by him to the various elements of the Intelligence Community for action. This concept of four or more practically co-equal clandestine services with practically co-equal responsibilities in the field of foreign intelligence and counterintelligence would represent a retrogression in the development of the American Intelligence Community that I cannot imagine anyone proposing seriously to the President and the National Security Council. Knowing General Eisenhower as I have known him, I would certainly not want to be the bearer and advocate of any such proposal.

It is perfectly obvious, therefore, that any discussion of a revision of NSCID 5 dealing with espionage and counter intelligence abroad has to start from the basic and fundamental principle that the CIA is the national clandestine service that performs functions of common concern in the fields of espionage and counterintelligence. Since the departments and agencies, especially the military commands in foreign areas will have need for espionage of a tactical nature in war time, it seems obvious that the services should maintain capabilities in this field. The problem of NSCID 5 is to spell out the broad instructions

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which the NSC should give to the Intelligence Community regarding the relative responsibilities in this field and the general principles which will enable the Director of Central Intelligence to coordinate activities in this field.

When we come to the consideration of the document which governs the broad instructions which the Intelligence Community should expect from the NSC in this field, there are four main points to consider: espionage, counterintelligence, coordination, and liaison with foreign clandestine services. When we determine the principles that should and must be applied in each of these fields in the interest of the national security and the intelligence community, the remainder of our document should present no particular difficulty.

.....

Before going on I would like to ask if any other service has a recommendation such as the Navy working group has produced to submit for consideration.

.....

Let us consider first, the first paragraph of the outstanding NSCID 5 and the first paragraph of the revision proposed by CIA. This paragraph recognizes a national clandestine service to conduct all foreign espionage to meet the needs of the departments and agencies as a service of common concern. However, it also recognizes that the military services particularly should maintain capabilities in this field. This right is recognized by the term "agreed activities" which not only implies but welcomes service participation provided only that these activities are coordinated by the Director of Central Intelligence.

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In my personal opinion there will be no retrogression from these basic principles. When we consider paragraph 1 therefore, the only areas for discussion are some further delineation, perhaps of what we include in "agreed activities" -- just what we mean by it.

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29 July 1957

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OPENING REMARKS BY GENERAL TRUSCOTT TO NSCID 5 WORKING GROUP

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Community regarding relative responsibilities in this field and the general principles which will enable the Director of Central Intelligence to coordinate activities in this field.

When we come to the consideration of the document which governs the broad instructions which the Intelligence Community should expect from the NSC in this field, there are four main points to consider: espionage, counterintelligence, coordination, and liaison with foreign clandestine services. When we determine the principles that should and must be applied in each of these fields in the interest of the national security and the intelligence community, the remainder of our document should present no particular difficulty.

Let us consider first, the first paragraph of the outstanding NSCID 5 and the first paragraph of the revision proposed by CIA. This paragraph recognizes a national clandestine service to conduct all foreign espionage to meet the needs of the departments and agencies as a service of common concern. It also recognizes, however, that the military services should maintain capabilities in this field. This right is recognized by the term "agreed activities" which not only implies but welcomes service participation provided only that these activities are coordinated by the Director of Central Intelligence.

In my personal opinion there will be no retrogression from these basic principles. When we consider paragraph 1 therefore, the only area for discussion is some further delineation, perhaps, of what is included in "agreed activities".

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No Change In Class.

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Declassified

Class. Changed to: TS *S* C

Next Review Date:

Auth.: HR 70-3

Date: 9-18-91

ONI DRAFT

24 July 1957

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NATIONAL SECURITY COUNCIL INTELLIGENCE DIRECTIVE NO. 5.

Espionage and Counterintelligence

(Explanatory note: The lined-out verbiage is from the CIA draft of 9 July 1957 and not the present NSCID No. 5.)

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Pursuant to the provisions of Section 102(d) of the National Security Act of 1947, as amended, the National Security Council hereby authorizes and directs that:

1. The Central Intelligence Agency shall conduct all national espionage operations outside the United States and its possessions in order to meet the needs of all departments and agencies concerned in connection with the satisfy intelligence requirements relating to the National security. except for certain agreed activities by other Departments and Agencies Departments and other agencies may conduct espionage operations outside the United States and its possessions in order to satisfy departmental intelligence needs.
2. The CIA shall conduct all counterintelligence operations outside the United States and its possessions, except that this activity shall not preclude the departmental counterintelligence activities, and certain agreed counterintelligence activities pertaining thereto, of other Departments and Agencies, necessary for the protection of their respective personnel, operations, installations, material, and equipment, necessary in the interests of national security and in furtherance of its assigned missions. Each Department or Agency with personnel or installations located outside the United States and its possessions is responsible for the counterintelligence protection of such personnel or installations. Departments and other agencies

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~~shall conduct counterintelligence operations outside the United States and its possessions necessary for the security of their commands and installations and the execution of their assigned missions.~~

3. For the purpose of this directive:

a. Espionage is-defined-as-the-clandestine-procurement-of-information
comprises those activities which are directed toward
the clandestine acquisition of intelligence information or toward the
performance of intelligence operations against a foreign power by secret
or illicit means.

b. Counterintelligence is-defined-as-that-activity,-with-its
resultant-product,-which-is-undertaken-to-protect-the-security-of-the-nation,
and-its-personnel-and-installations-already,-against-espionage,-counterespionage,
sabotage,-and-subversion.---As-an-activity,-counterintelligence-is-the-process
of-preparing,-developing,-and-recording-information-concerning-espionage,
counterespionage,-sabotage,-and-subversion-directed-against-the-national-
security,-and-of-penetrating,-manipulating,-or-repressing-individuals,
groups,-or-organizations-conducting-or-capable-of-conducting,-such-acts.

Is that phase of intelligence comprising all activities devoted to destroying
the effectiveness of Unimical foreign intelligence activities and to the
protection of information against espionage, personnel against subversion and
installations or material against sabotage.

c. Coordination comprises those consultative activities undertaken
by departments and agencies concerning espionage and counterintelligence matters
with the objective of resolving mutual problems, exchanging operational
information, eliminating unnecessary duplication, and, in each instance, evolving
a modus operandi on the part of all participants to forestall actions
detrimental to the national interest or to each other. Coordination will be

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affected at the lowest echelon practicable.

4. In order to further the accomplishment of the missions of each agency concerned, there shall be a free exchange of intelligence and counterintelligence information (both raw and finished) and studies, as a service for all agencies with intelligence and counterintelligence responsibilities.

5. The Central Intelligence Agency shall be responsible for maintaining as a service of common concern the interest, central indices indexes and records of foreign intelligence and counterintelligence information. It shall be the obligation of the Departments and Agencies to assist the Central Intelligence Agency in the execution of this responsibility by contributing to the central file, on a continuing basis, all pertinent material collected by them. Pertinent material collected by the departments and agencies will be contributed to the central file on a continuing basis.

5a. 6. To promote the over-all interests of the US intelligence community the Director of Central Intelligence shall will, in consultation with the Intelligence Advisory Committee, coordinate insure the coordination of all activities authorized herein except in active theaters of war or where US forces are engaged in combat involved in which event the provisions of paragraph 13 below shall apply.

6. 7. The Director of Central Intelligence shall coordinate foreign insure the coordination of clandestine intelligence collection with overt collection abroad. He shall also insure in consultation with the Intelligence Advisory Committee that counterintelligence activity abroad is coordinated with the Departments and Agencies and interdepartmental committees responsible for domestic counterintelligence to the extent necessary to insure conformity with the policies enunciated by the National Security Council. The Director of Central Intelligence shall invite departments and agencies not permanent

members of the Intelligence Advisory Committee which have counterintelligence responsibilities abroad to participate in the Intelligence Advisory Committee deliberations when counterintelligence matters affecting such responsibilities are under consideration.

7. 8. Other All departments and agencies shall will assist the Central Intelligence Agency each other in its the conduct of espionage and counterintelligence activity by providing continuous and timely guidance, specific collection requirements and assessments of intelligence information collected.
8. 9. In the conduct of national espionage and counterintelligence activities, the Director of Central Intelligence shall make arrangements with the bilateral arrangements shall be made among the Departments and Agencies concerned for such cover support as may be needed by the Central Intelligence Agency to support these activities as the national interest may require.
9. 10. In a foreign area other than an active theater of war or where U.S. forces are engaged in combat involved, the designated representatives shall keep the senior U.S. representative appropriately advised of U.S. espionage and counterintelligence activities conducted in or from the area.
10. 11. In a foreign area where major U.S. military commands are stationed, the designated representative of the Director of Central Intelligence shall keep the designated representatives of senior U.S. military commanders informed of the espionage and counterintelligence operations conducted by the Central Intelligence Agency in or from the area. An direct support of the commanders.

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12. 12. The Central Intelligence Agency is responsible for the establishment, conducts and development of liaison concerning clandestine matters with all liaison developed or established with foreign intelligence and security services which affects espionage or counterintelligence activities shall be coordinated in advance and on a continuing basis between the U.S. agencies concerned, in order to insure that such relationships are beneficial to the over-all espionage and counterintelligence interests of the United States. Other Departments and Agencies may conduct liaison on non-clandestine matters with foreign intelligence and security services as required for the proper execution of their missions. However, all liaison which concerns or affects clandestine matters shall be coordinated in advance and on a continuing basis with the Central Intelligence Agency in order to insure that such relationships are beneficial to the over-all clandestine interests of the U.S.

12. 13. In active theaters of war where U.S. forces are engaged in combat involved,

a. All resources of the Central Intelligence Agency shall be included in a CIA Theater Force and, through the CIA commander thereof, shall provide espionage and counterintelligence support to military operations in accordance with the requirements of the U.S. Military Theater Commander or the Joint Chiefs of Staff.

b. Such exceptional espionage and counterintelligence operations as may be conducted by the CIA Theater Force in support of national requirements as distinguished from those operations conducted in support of the Military Theater Commander shall be coordinated by the Director of Central Intelligence with the Joint Chiefs of Staff.

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a. The Director of Central Intelligence and the Joint Chiefs of Staff shall establish procedures for the coordination of liaison between US military commanders and foreign services concerning clandestine matters. all resources of the Central Intelligence Agency shall be included in a CIA Component Force under the direct command of the commanders of commands established by the Joint Chiefs of Staff. The CIA Component Force Commander shall provide espionage and counterintelligence support to military operations in accordance with the requirements of commands established by the Joint Chiefs of Staff. Proposals for exceptional espionage or counterintelligence operations to be conducted in support of national requirements shall be coordinated by the Director of Central Intelligence with the Joint Chiefs of Staff. Where such operations entail any substantial diversion of resources allocated to the CIA Component Force, the Military Theater Commander will first be informed.

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